



**Technical Report:  
Trans Kalahari Corridor  
Institutional Sustainability Study**

by

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## **LIST OF ACRONYMS USED**

COMESA	: Common Market for Eastern and Southern Africa
DBSA	: Development Bank of Southern Africa
EU	: European Union
FCFASA	: Federation of Clearing and Forwarding Associations of Southern Africa
FESARTA	: Federation of Eastern and Southern Africa Road Transport Associations
MoU	: Memorandum of Understanding
NAMPORT	: Namibian Ports Authority
NCC	: National Corridor Coordinators
NCTA	: Northern Corridor Transit Agreement
NCTTCA	: Northern Corridor Transit Transport Coordination Authority
PMAESA	: Port Management Association of Eastern and Southern Africa
SADC	: Southern African Development Community
SARA	: Southern Africa Railways Association
SDI	: Spatial Development Initiative
TKC	: Trans Kalahari Corridor
TKCMC	: TKC Management Committee
TransNamib	: Namibian Railways
USD	: United States Dollars
USAID	: United States Agency for International Development
WBCG	: Walvis Bay Corridor Group

## EXECUTIVE SUMMARY

1. This is a report on the institutional and financial sustainability of the Trans Kalahari Corridor (TKC) structures and programs, undertaken for the interim committee, with financial assistance from the Southern Africa Global Competitiveness Hub.
2. Creation of the TKC structures has raised the issue of their sustainability both institutional and financial, prompting the commissioning of this study.
3. The main objective of the study is to carry out an assessment of the institutional financial sustainability of the corridor structures and programs and facilitate the designing and recommending of the support structure needed to service the Corridor institutions and programs, and developing a financial sustainability strategy.
4. The study relied mainly on Interviews with major Stakeholders including, private sector transporters associations, major users/shippers, major private/public transport service providers, government ministries/ departments of transport, other transport corridors e.g. Northern Corridor, Walvis Bay Corridor Group, donors /financial institutions.
5. Lessons on regional structures are drawn from the Northern Corridor Transit Transport Coordinating Authority (NCTTCA), Port Management Association of Eastern and Southern Africa (PMAESA) and Spatial Development Initiative (SDI) and funding regional institutions from NCTTCA and PMAESA
6. The involvement of the private and public sector in both regional and national institutions is shown to be important. Fixed secretariat with staff appointed by all stakeholders assures quality work and neutrality of staff.
7. Membership contributions are generally problematic whether by the private or public sector. Specifically, governments with resource constraints have competing and more urgent priorities making it difficult for them to keep up with their contributions.
8. User levies if to be applied have to be directly related to the derived benefits. What the users pay must be less than the derived benefits. Where there is no clear linkage between the budget and the results or benefits, it becomes difficult to justify the levy. Where there is result-based budgeting with clear targets for deliverables, justification for levy is not difficult.
9. The mode of collection of the levy must also be simple to administer and adhere to.
10. The Trans Kalahari Transport Corridor was born out of the Trans-Kalahari Highway (TKH) but later changed its status to a corridor in the light of the intention by member governments Namibia, Botswana and South Africa to make it more

effective. The main goal of the TKC has been to ensure better utilization of the infrastructure newly-constructed in Namibia and Botswana.

11. Since the creation of the TKC and with the technical and financial assistance of the Southern Africa Global Competitiveness Hub, there have been three major developments mainly; establishment of the corridor institutional framework (the TKC Management Committee); preparation of the legal framework in the form of a Memorandum of Understanding (MoU) and preparation of the action plan. The Walvis Bay Corridor group has provided interim secretariat for the TKCMC.
12. The original formulation of TKCMC only comprised representatives of the contracting parties. The MoU has since broadened the TKCMC to comprise different interest groups and stakeholders both public and private in transport, communication and meteorology sectors.
13. The MoU provides for the establishment of the Operations Committee. However, the TKCMC does not see the need for this committee at present.
14. The sustainability of the Trans-Kalahari Corridor from an institutional point of view will depend on the institutional arrangement and framework that will be adopted. The recommended set up in the TKC MoU, forms a structural framework that should be able to support and sustain TKC goals if adequately funded and technically supported.
15. The option to establish the operations committee in the future if the situation demands so has been left open. This is a likely development with the expanded TKCMC membership and the establishment of a permanent secretariat.
16. Staffing of the secretariat will be in two phases. The first phase, lasting one year and seven months, will be transitional allowing for resource mobilization by the contracting parties and the port authority. The first seven months will be from September 2004 to March 2005, leading to the beginning of the 2005/2006 financial year. This is when it is expected that the three governments will have provided for the corridor funding in their national budgets. The transitional phase provides for the funding of a position of program coordinator within the WBCG. The option to this arrangement financial resources not permitting would be the provision of finances to the WBCG for TKC programs.
17. In the full-strength secretariat after resource mobilization, an Executive Secretary, who shall report to the TKCMC through the Chairperson, will head the secretariat. It is recommended that in the long term the Executive Secretary be supported by a compliment of professional and administrative staff.
18. The initial phase will be funded from contributions by the contracting parties (the three member countries) and the port authority. There after, these contributions will

be supplemented by benefit-based contributions from other corridor beneficiaries, to be agreed upon during the Phase One.

# **1. INTRODUCTION**

## **1.1 Background**

This is a report on the institutional and financial sustainability study of the Trans Kalahari Corridor. The study was undertaken on behalf of the TKC interim committee with financial assistance from the Southern Africa Global Competitiveness Hub.

The TKC started as Trans Kalahari Highway (TKH) but later changed its status to that of a corridor. The change in status was in the light of the intention to make it more effective. The main goal of the TKC has been to ensure better utilization of the infrastructure newly constructed in Namibia and Botswana.

Since the creation of the Trans Kalahari Corridor initiative and with the Technical and financial support of the Southern Africa Global Competitiveness Hub there have been three major developments namely; establishment of the Corridor institutional framework the Trans Kalahari Corridor Management Committee (TKCMC); preparation and signing of the legal framework in the form of a Memorandum of Understanding (MoU) and preparation of the action plan. The Walvis Bay Corridor Group (WBCG) has provided secretarial services to the TKCMC.

From the time of its establishment in 1994, Namibian Ports Authority (NAMPORT) took deliberate action to market its services across its borders. To this effect NAMPORT motivated the setting up of the Walvis Bay Corridor Group, which at the same time brought together the key stakeholders. The Walvis Bay Corridor Group was to provide an integrated service by offering the customer efficient services from the port plus the whole transport chain.

The TKC, having successfully established the institutional framework and prepared the action plan, is now confronted with the twin challenges of ensuring institutional and financial sustainability to implement the action plan. This study was commissioned to address these issues.

## **1.2 Study Objective**

The objective of this study is to carry out an assessment of the financial and institutional sustainability of the Trans Kalahari corridor, and facilitate the preparation of a sustainability strategy. Specifically the study aims at;

- Designing and recommending the support structure needed to service the Corridor institutions and programs.
- Developing a financial sustainability strategy



### **1.3 Study Approach and Methodology**

Recommendations of this study report were designed to be a result of sufficient consultation of stakeholders and active players in the transport Industry at the corridor and national levels, as well as other interested regional organizations. The approach to the study was also intended to be broad-based to gain an in-depth understanding of the Corridor issues and options from different perspectives.

The study was performed from 9<sup>th</sup> May to 13<sup>th</sup> July 2004 including country visits and draft report writing. Country visits were made to Botswana, Namibia, South Africa, Tanzania, Malawi, Zambia and Kenya. The study involved both literature review and interviews.

Review of documentation related to Transport Corridor Management included;

- History of TKC
- Corridor MoU
- Action Plans
- Corridor Structures and Functions of Committees, Task Groups and the Secretariat
- Systems in similar institutions (NCTTA, PMAESA, SDI).

Interviews and Group Discussions with Relevant Interest Groups and Stakeholders included (see annex 1);

- Private Sector Transporters Associations
- Major private/Public Transport Service Providers
- Government Ministries/ Departments of Transport
- Other Transport Corridors e.g. Northern Corridor, Walvis Bay Corridor Group
- Donors and Investors/Financial Institutions
- Corridor Group Committee and Task Groups, Corridor Secretariat
- Users

### **1.4 Structure of the Report**

The rest of this report is in five chapters. The next chapter considers lessons from similar institutions. The lessons are centered on institutions and funding options. Chapter three presents the status of the TKC, while chapters four and five make recommendations on institutions/staffing and funding respectively. Conclusions are given in chapter six.

## **2. LESSONS FROM SIMILAR INSTITUTIONS**

### **2.1 Introduction**

This study in its quest to assess the sustainability of the TKC, draws on lessons from other regional institutions that have had the opportunity to work with systems that the TKC is adopting. To this effect, lessons on regional structures are drawn from the Northern Corridor Transit Transport Coordinating Authority (NCTTCA) and funding regional institutions from NCTTCA and the Port Management Association of Eastern and Southern Africa (PMAESA). Discussions at TKC on future funding mechanisms have revolved around membership fees and tonnage levy which PMAESA and NCTTCA are using respectively.

The WBCG, a member and interim secretariat of the TKC, has experience with membership contributions but not with the tonnage levy. This chapter considers lessons on institutions, secretariat staffing and funding.

### **2.2 Institutions**

#### **2.2.1 NCTTCA**

NCTTCA brought together Burundi, Kenya, Rwanda, Uganda and Democratic Republic of the Congo. The agreement governing the Authority was preceded by bilateral agreements between countries which were contradictory in certain cases. There were a multitude of transit charges and in most cases not related to the service. The states decided to negotiate a multilateral agreement which led to the current treaty. The treaty covers transit issues to and from the port of Mombasa and through each others territory and was established to achieve the following objectives amongst others:

- i) Promoting the use of the Northern Corridor as a most effective route for the surface transport of goods between the respective countries and the sea;
- ii) Granting each other the right of transit in order to facilitate movement of goods through their respective territories and to provide all possible facilities for traffic in transit between them, in accordance with the Agreement; and
- iii) Taking all necessary measures, for expeditious movement of traffic and for avoidance of unnecessary delays in the movement of goods in transit through their territories; to minimize the incidence of Customs fraud and tax avoidance; and to simplify and harmonize documentation and procedures relating to the movement of goods in transit.

The achievements of NCTTCA, in the early stages of the authority particularly during negotiations, are greatly attributed to the involvement of high-level Government officials. However, the NCTTA's recent successes have come out of the private-public partnership arrangement. This framework evolved in response to the changing needs and situation of

the Corridor. The negotiations of the treaty were between governments, it was felt then that in order for negotiations to succeed, there was need for an institutional arrangement which has access to high level government officials.

Organs of NCTTCA comprise the Authority, the Executive Board and the permanent secretariat. The NCTTCA is the highest organ in the hierarchy comprising Ministers responsible for transport within member states. This organ is assisted by an Executive Board composed of Permanent Secretaries from the ministries responsible for transport in member countries. This initial dominance of the public sector reflected the dominance of the same sector in the national economies. It is worth noting that since then the authority has adopted the public private sector partnership approach resulting in the creation, at the regional level, of the Northern Corridor Stakeholders Consultative Forum meant to deal with practical implementation issues. The Stakeholders Consultative Forum brings together Chief Executives from both the public and private sector. Furthermore, the representatives from the private sector are now invited to meetings of the Executive Board which was previously exclusively for permanent secretaries and their advisers.

At the national level, the Northern Corridor now has the National Trade and Transport Facilitation Committees. These committees feed interregional issues to the regional Stakeholders Consultative Forum. The relevance of the private sector has been recognized in many ways including the leadership it provided in the introduction of the tonnage levy. To this effect the authority is in the process of recognizing the important role of the private sector by including them in the agreement and making them part of the organs of the authority.

Another addition to the institutional structure of the Northern Corridor is that of the Working Groups. The authority intends to establish two working groups for Customs and Facilitation and Transport Operations to provide specialized technical input. It is shown later that TKC has by including private sector institutions and creation of working groups right from the start, avoided what NCTTCA had overlooked.

### 2.2.2 SDI

The SDI approach has been used by members of the Southern Africa Development Community in transforming transport corridors into development corridors and in certain cases in promoting resource rich areas in the conventional sense of regional development. The Development Bank of Southern Africa has been facilitating SDIs in the region.

The NCTTCA is gradually transforming itself into a trading block expanding the transport corridor issues into economic development issues.

## **2.3 Secretariat**

### **2.3.1 NCTTCA**

Below the NCTTCA is a permanent Secretariat set up in 1988 in Mombasa and headed by an Executive Secretary. The rationale for a secretariat has been necessitated by the need to dedicate resources to attend to the implementation of the agreement or treaty. The present permanent secretariat has evolved from a rotational secretariat through an interim secretariat. During the period of negotiations, the secretariat used to rotate among the member countries. The experience with a rotating secretariat was that it was not as effective as the current fixed secretariat, that it was a loose unit. There was also the issue of the status of the staff and how to ensure their neutrality. Rotating the secretariat meant short term appointments, which made it difficult to have long term staff. The option was therefore secondment of staff by the hosting country. Often these seconded staff had other responsibilities, meaning that they could not effectively execute the assigned tasks of the authority.

While some functions can be rotated with the chair, a lot of the technical functions cannot be easily rotated. The logistical arrangements of setting up an office every time the chairmanship rotates also mitigate against the idea of a rotational secretariat.

### **2.3.2 Staffing and Functions of the Secretariat**

The Secretariat facilitates implementation of the NCTA and the decisions of the TTCA while providing secretarial services to all the organs of the NCTA. They are also expected to fulfill the following;

- a. Undertake analysis and produce convincing technical papers to motivate actions by member states
- b. Prepare and propose detailed regulations manuals and other implementation strategies
- c. Effectively monitor the progress of the implementation of various aspects of the Agreement and determine the impact thereof
- d. Identify problems or impediments and propose measures that should be taken to overcome them
- e. Provide adequate technical facilitation of the business of the organs of the NCTA

The staffing of the permanent secretariat reflects the burning issues affecting the corridor based on the work plans and programs. The permanent secretariat initially had two positions supporting the executive secretary, an infrastructure engineer and a transport economist. This staffing arrangement was influenced by the critical issues related to poor transport infrastructure at the time. Later it was recognized that the demanding issues on the corridor were related to customs and transit facilitation. Hence the addition of the position of the customs expert to the existing structure. Due to the need to translate

documents and meetings, the position of translator has been added to the structure. The structure is therefore responsive to the pressing demands of the corridor.

## **2.4 Funding**

### **2.4.1 NCTTCA**

It is instructive to learn how the tonnage levy has evolved over the years with negotiations yielding variations to suit each member. The source of revenue for NCTTCA is the tonnage levy. Prior to 2003 all member countries used to make equal contributions. The levy was then calculated dividing the equal contribution by each country's expected tonnage that year. There was a problem with most countries failing to remit their contributions in full as this involved paying from the treasury, which never worked. The system has since changed by considering both the relative strengths of the economies and traffic levels and then allocating a corresponding percentage of the budget to each country. It is this figure which is then used in arriving at the levy. There are additional features. The levy has to be collected at the port of entry. Instead of being levied, Kenya has opted to pay with money from the treasury. This flexibility in application of the tonnage levy and in negotiations is worth noting and also the willingness of the private sector to pay the levy.

### **2.4.2 PMAESA**

The main source of finance for the association is membership subscriptions. However, for some time, half the membership was not paying. The association was only able to manage with reserves accumulated from the period when there was no permanent secretariat. The association decided to increase fees in 2001 in line with expanded secretariat and expanded services. Fees are linked to throughput and landlocked countries pay US \$ 4,000 per annum. The association collected US \$180,000 and US \$160,000 in 2003 2004 respectively, against invoices of US \$ 170,000 for each year. The association has been financing a budget of US \$ 250,000 by supplements from the reserves and financiers such as the French Government and the International Maritime Organisation for specific projects.

## **2.5 Benefits**

NCTTCA provides the best example of benefits which accrue to stakeholders from corridor activities. The benefits cited as a direct result of the establishment of the NCTA include:

- a) Considerable reduction in transit time, by on average 50%, and custom processing procedures. For example: Mombasa to Bujumbura road trip before NCTA took 25 to 30 days, after NCTA it takes 12 to 15 days.

The impact of this, it was reported, was annual savings of about US \$13.6 million.

The Single Administration Document originates from the Northern Corridor. The Single Administration Document replaced thirteen other documents.

- b) Elimination of transit and other taxes and reduction in payment for motor vehicle insurance and increase in use of railways which resulted in savings estimated to be about US \$ 17.4 million.
- c) There has been a reduction and stability in costs despite the deteriorating economic situation in the sub region. For example, Mombasa – Kigali road freight tariff was in excess of US \$200 per tonne but has fallen to US \$160 per tonne.
- d) NCTA has brought about better relationships and understanding among the institutions and persons dealing with transit traffic such as Revenue Authorities, Railway Corporations, Trucking Organisations, Freight Forwarding and Clearing Companies.

## **2.6 Conclusions**

The following guiding principles highlight the lessons learned and the key success factors in setting up a sustainable institutional and funding arrangement. The involvement of the private and public sector in both regional and national institutions is important. Fixed secretariat with staff appointed by all stakeholders assures quality work and neutrality of staff.

In terms of funding, membership contributions are generally problematic whether by the private or public sector. Specifically, governments with resource constraints have competing and more urgent priorities making it difficult for them to honour their obligation.

In the case of user levies, they have to be directly related to the derived benefits. What the users pay must be less than the derived benefits. Where there is no clear linkage between the budget and the results or benefits, it becomes difficult to justify the levy. Where there is result-based budgeting with clear targets for deliverables, justification for levy is not difficult. The mode of collection of the levy must also be simple to administer and adhere to.

### **3. TRANS KALAHARI**

#### **3.1 Introduction**

This chapter presents the status of the Trans Kalahari corridor. The TKC started as Trans Kalahari Highway but later changed its status to that of a corridor. The change in status was in the light of the intention to make it more effective. The main goal of the TKC has been to ensure better utilization of the infrastructure newly constructed in Namibia and Botswana.

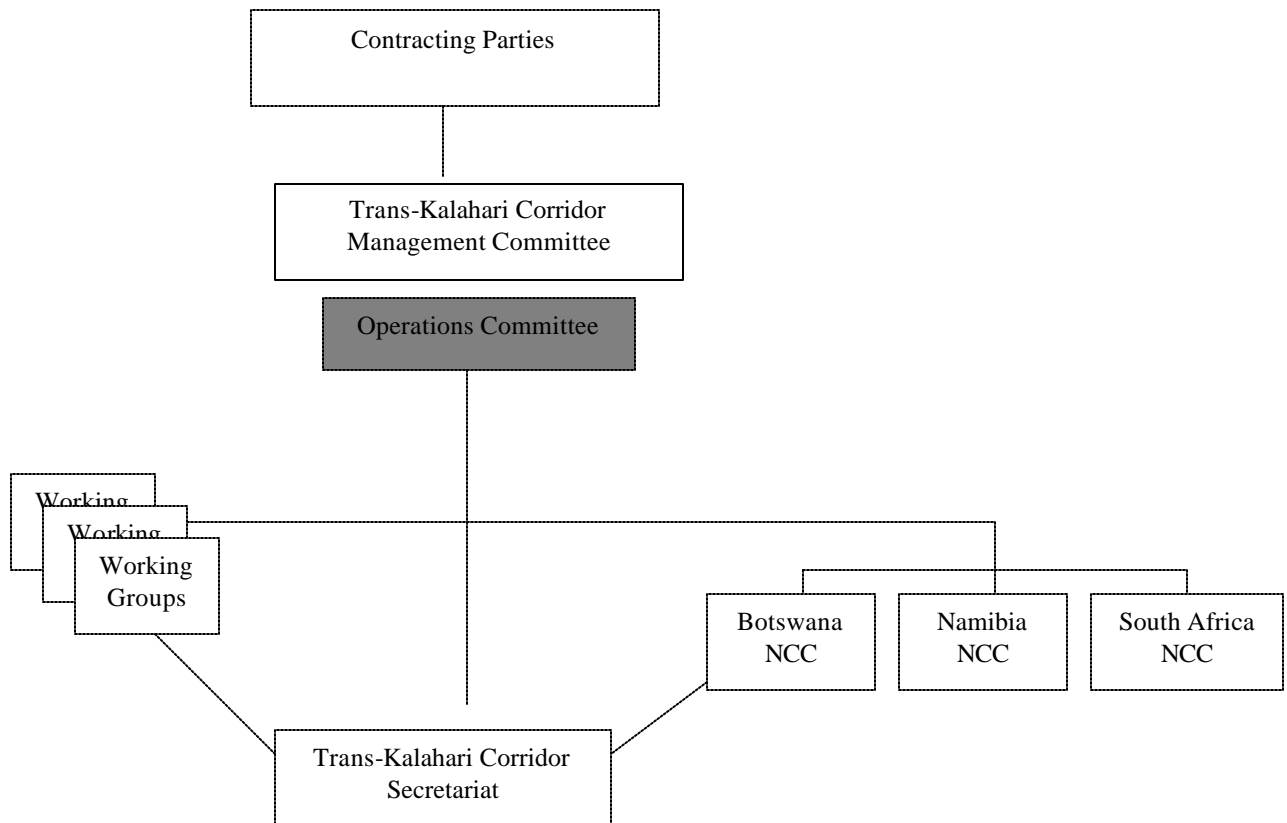
Since the creation of the Trans Kalahari Corridor and with the technical and financial support of the Southern Africa Global Competitiveness Hub, there have been three major developments namely; establishment of the Corridor institutional framework the Trans Kalahari Corridor Management Committee (TKCMC); preparation of the legal framework in the form of a Memorandum of Understanding (MoU) and preparation of the action plan.

#### **3.2 Institutions**

##### *Regional Institutions*

The MoU of the Trans-Kalahari Corridor to which the Republics of Botswana, Namibia and South Africa are signatories specifies the institutional arrangement as shown below.

**Figure 3.1 TKC STRUCTURE**



### **Trans-Kalahari Corridor Management Committee (TKCMC)**

While the Trans-Kalahari Corridor Management Committee (TKCMC) is the supreme body, it is accountable to the Contracting parties who are the signatories to the MoU. The MoU provides for Government officials at the level of at least Director to represent contracting parties at TKCMC meetings. Drawing on lessons from the preceding chapter and as implied in the MoU, it might be prudent in certain meetings and depending on the issues at hand, to deliberately involve higher-level officials.

The original formulation of TKCMC only comprised representatives of the contracting parties. The MoU has since broadened the TKCMC to comprise different interest groups and stakeholders both public and private in transport, communication and meteorology sectors. To this effect the TKCMC meeting of June 2004 authorized the national Co-Chairmen to invite representatives of the listed stakeholders to future TKCMC meetings as provided for in the MOU. TKCMC is to draw its membership from:

- a) All modal transport operators servicing TKC including multi modal transport operators;



- b) Transport and infrastructure authorities with responsibilities in respect of the provision and management of transport and related infrastructure along the TKC;
- c) Port authorities;
- d) Customs authorities;
- e) Freight forwarding and clearing agents servicing the TKC;
- f) Trade and industry authorities and bodies;
- g) Financial and insurance institutions, industrialists and developers;
- h) Immigration authorities with responsibilities in respect of the TKC;
- i) Law enforcement authorities including representatives of police, safety and security, defence and other state agencies responsible for national border integrity with responsibilities in respect of the TKC;
- j) Tourism groups;
- k) Users of TKC systems and facilities; and
- l) Any other stakeholder.

The main role of the TKCMC is to oversee, guide, coordinate and facilitate implementation of the Memorandum of Understanding (MoU) of the TKC with the objective of achieving development of integrated services of transport and goods and persons along the corridor countries and the region in general.

#### *Operations Committee*

The MoU provides for the establishment of the Operations Committee. Membership of this Committee shall consist of the Chairperson of the TKCMC and Vice Chairperson, plus four to five others drawn from private and public sector representing different areas of interest or specialization. The Operations Committee is supposed to undertake delegated functions of the TKCMC and report, to the full TKCMC, its decisions and activities. However, it is observed that the TKCMC does not see the need for this committee at present. But this position needs to be viewed in the light of the broadened TKCMC.

#### *Working Groups*

To facilitate the work of the Committee, Working Groups are to be constituted to tackle issues in more detail and be able to carry out more extensive consultations where

necessary. The Working Group's membership is from the members of the TKCMC. The TKC, which has to date, worked with two working groups is to have three working groups in the areas of customs, Transport and business development.

In addition to the above-mentioned committees the TKCMC sees a role for Task Teams. These teams can be delegated specialized tasks by both the TKCMC and working groups.

## National Level

### *National Corridor Committees*

At national level, to be able to follow up and monitor implementation of TKCMC programmes and decisions, National Corridor Committees in member States exist.

### *National Corridor Coordinators*

To facilitate work of the National Corridor Committees, one representative of government and the other of the private sector act as Coordinators of the National Corridor Committee. Ideally these shall be the Chairperson and Vice Chairperson of the National Corridor Committee.

The role of the National Coordinators is to follow up decisions, recommendations and strategies with national authorities, institutions and other implementing agents. Therefore, the Coordinators work closely with the Secretariat and government organs to push for implementation of the TKC programme and objectives.

### *The Secretariat*

Below the TKCMC is a permanent Secretariat. The MoU envisaged a rotating secretariat a matter which was discussed at the June TKCMC meeting. The same meeting saw merit in the WBCG continuing to provide secretarial services for another one year waiting a permanent decision on the matter. The WBCG has provided the interim secretarial services and has institutional memory.

The role of the Secretariat as provided for in the MOU is to:

- a) Provide secretarial services to the TKCMC organs namely the full TKCMC meetings, Working Groups' meetings and National Corridor Committee meetings;
- b) Undertake research and data gathering, analysis and evaluation related to primarily the transport systems and their utilisation, trade and economic issues as well as infrastructure development and maintenance, among others;

- c) Provide support to the Working Groups and National Corridor Committees in terms of logistics, data and resources;
- d) Promote and market the activities of the corridor in member States, and the region so as to attract more users and supporters;
- e) Organise and participate in local and regional activities through workshops, seminars, conferences, trade, communication, transport and meteorological events; and
- f) Coordinate the programmes and activities of the TKC within and across member States in collaboration with the National Corridor Committees, Working Groups and other stakeholders.

### *Action Plan*

The TKCMC through the working groups has formulated an action plan which groups critical issues on the corridor under five main areas. These are:

- Customs documentation and procedures and border post operations
- Roads and Road Transport
- Commercial Opportunities and Business Development
- Strengthen Public-Private Partnership Institutional Framework
- Corridor Performance Audit/Monitoring

### *Funding*

The MoU provides for the introduction of mechanisms to ensure the financial sustainability required by the TKCMC and secretariat. Discussions with representatives of contracting parties revealed the availability of funds within ministries that could be channeled into corridor operations. On the levy, use of road fund, vehicle license fees and tonnage levy were referred to as possibilities but not fully pursued. However in Namibia there is the precedence of both the public and private sectors contributing to the budget of the WBCG.

## **3.3 Conclusion**

This chapter has shown the progress that has been made in the formulation of the MOU and action plan and establishment of institutions on the TKC. The institutions provided for in the MOU at both regional and national levels have either been constituted or are being constituted. The exception is the operations committee meant to act on behalf on the main committee but this has not yet been established.

## **4. INSTITUTIONAL SUSTAINABILITY AND RESOURCE REQUIREMENTS**

The preceding chapter has highlighted areas requiring further attention. These are the relevance of the operations committee considering the expanded TKCMC, the status of the secretariat and relationship with the WBCG and how to make national institutions effective. These issues are addressed below.

### **4.1 Institutions**

The sustainability of the Trans-Kalahari Corridor from an institutional point of view will depend on the institutional arrangement and framework that will be adopted. The recommended set up in the TKC MoU forms a structural framework that should be able to support and sustain TKC goals if adequately funded and technically supported. The institutional arrangement include at:

#### **4.1.1 Regional level**

The Trans-Kalahari Corridor Management Committee with its sub organs;

- The Operations Committee
- Working Groups
- The Permanent Secretariat

The decision by the TKCMC to defer the establishment of the operations committee is understandable especially if members want all to be directly involved in the activities of the Corridor especially in the formative stage. It is noteworthy that the option to establish the operations committee in future if the situation demands so has been left open. This is a likely development with the expanded TKCMC membership. The concerns expressed in the TKCMC June 2004 meeting “on the challenges to secure effectiveness of such an all inclusive and broadly based forum” are very real. The other concern is that of the challenges of assembling such broad membership in case of urgent matters requiring committee decision.

Sustainability will be achieved through ensuring that at all the levels, there is adequate technical expertise in all the critical areas of concern i.e. transport, customs, marketing and business development etc.

In terms of scope of work, the need that has resulted in the creation of corridor institutions attest to the fact that there is sufficient volume of activities that requires separate institutional structures in order to adequately render justice to the cause effectively. This is further supported by what has been achieved by other corridors including the NCTTCA.

The Spatial Development Initiative (SDI) is another long-term objective, which has broadened the scope of work for the corridor institutions and adds to the sustainability of the corridor institutions.

## *Secretariat*

Making the corridor institutions, especially the Secretariat, to be a source of and facilitator of provision of technical expertise will create a long term role.

The maintenance of information databases backed by research and analysis in all areas of corridor interest is another area that will sustain the corridor institution's usefulness to the member States and regions.

A major concern is staffing-that is being able to support the permanent organs such as the Secretariat and other organs like the National Corridor Committees. Apart from considering the various funding options, which are discussed later in this report other options are:

a)      Rotation of Secretariat hosting

The hosting of the Secretariat can rotate among the member States every two years with the host meeting the costs for remuneration of staff and providing office accommodation and institutional transport.

Whilst it is a good idea to share costs this way, the disruption caused by relocating can be very regressive especially if some member States cannot provide equivalent facilities and services in terms of technology, equipment and support staff.

For the same reason, less developed States may have to spend more in order to provide minimum standards of facilities and services.

b)      A variation of this option would be for the member countries to rotate in funding the remuneration and administrative cost of the Secretariat year by year whilst the Secretariat remains located in one place.

The downside to this again may be late remittance of funds by some governments or funding agents.

Alternatively, each Member State can second and or sponsor Secretariat staff and meet the cost of their salaries and related costs. Similar to this is allowing capable organisations such as the Port Authorities, private and otherwise, to sponsor or partnership with government to fund the Secretariat.

The advantages of this option are:

- That costs are spread among the member States and or institutions
- Greater commitment to ensure success will be engendered as sponsoring agents would like to see their investments bear fruit.
- Partnerships will further be consolidated through sharing costs and hence ownership too.

However, the disadvantages of this option are:

- The economically powerful States or sponsoring institutions may have greater representation in the Secretariat and or corridor institutions and hence may have more clout in decision making in favour of their interests.
- In the case of TKC, where the Walvis Bay Corridor Group provides the Secretarial services, may in the long run be faced with conflicting loyalties or priorities to which national priorities may be subordinated to regional priorities.

Assessment of the situation on the corridor and experience from similar institutions especially NCTTCA, point to the need to secure the neutrality of the secretariat. This is better achieved in an environment where staff are recruited and paid by the Corridor and consequently owe the allegiance to it.

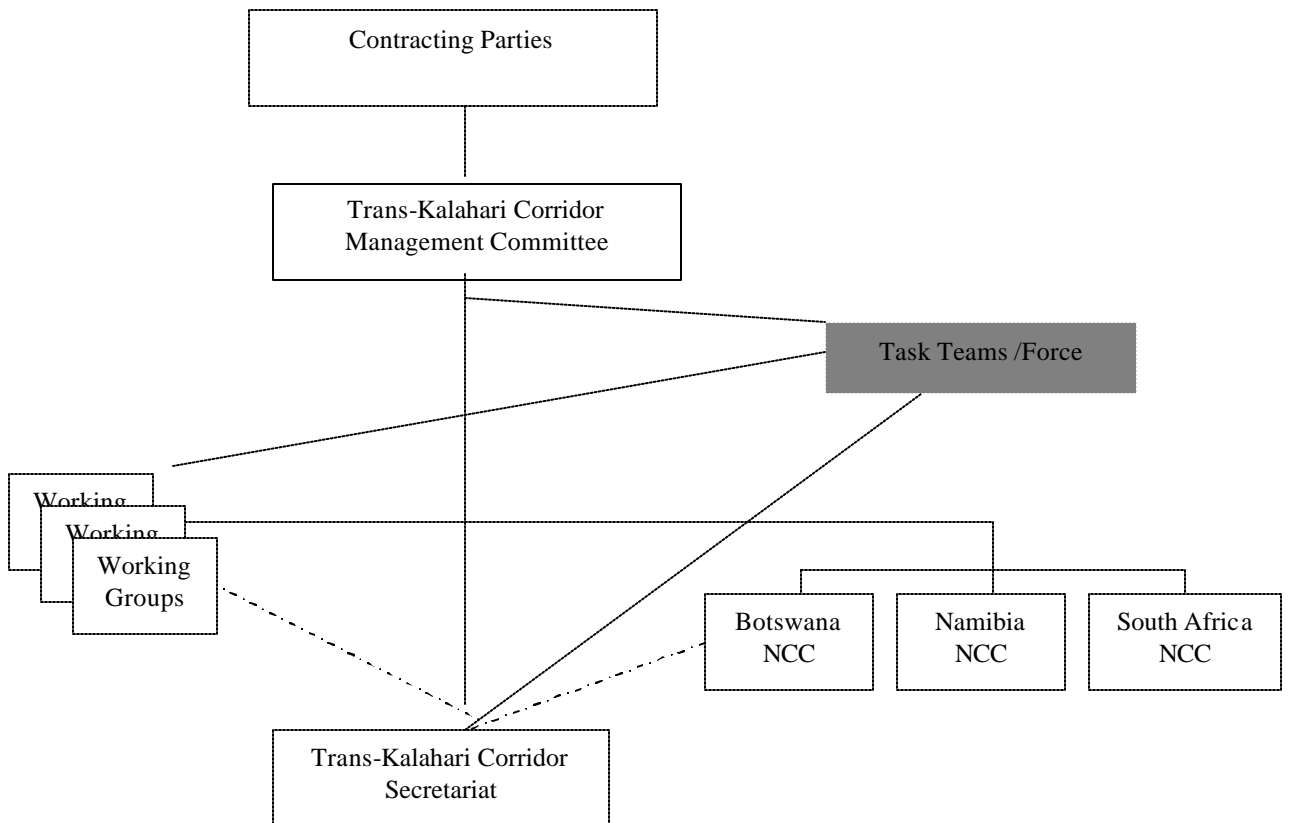
#### 4.1.2 National Level

National Corridor Committees should ideally be funded by each respective national State and only receive support from a common fund for some major operations as agreed or directed by the TKC Management Committee.

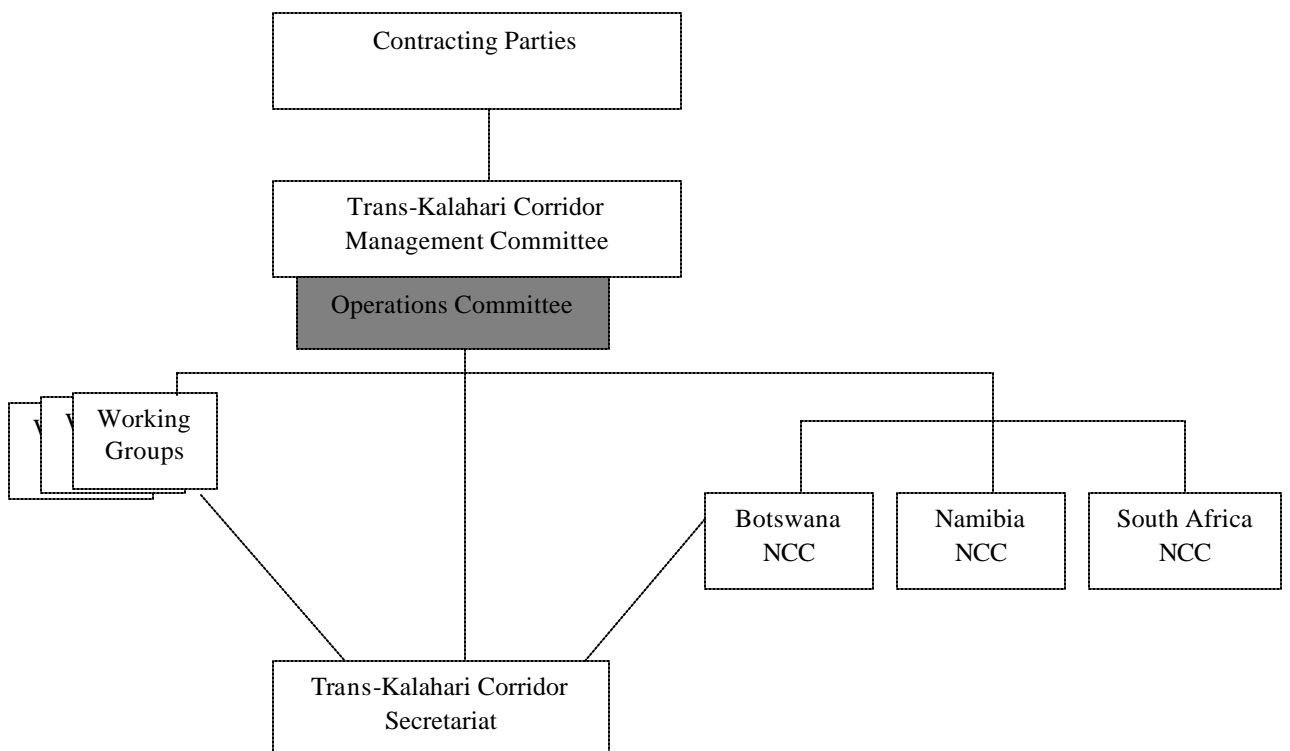
For countries like Namibia, which may belong to more than one corridor grouping, the corridor institution at national level need not replicate but rather have one that services all corridors of that country hence that should see the institutions having role for a long time.

The report is tabling two options for discussion based on the inclusion of the operations committee or not. The view taken in this report is that broadening of the TKCMC will necessarily entail including the operations committee layer.

**Figure 4.1 Structure without Operations Committee**



**Figure 4.2 Structure with Operations Committee**

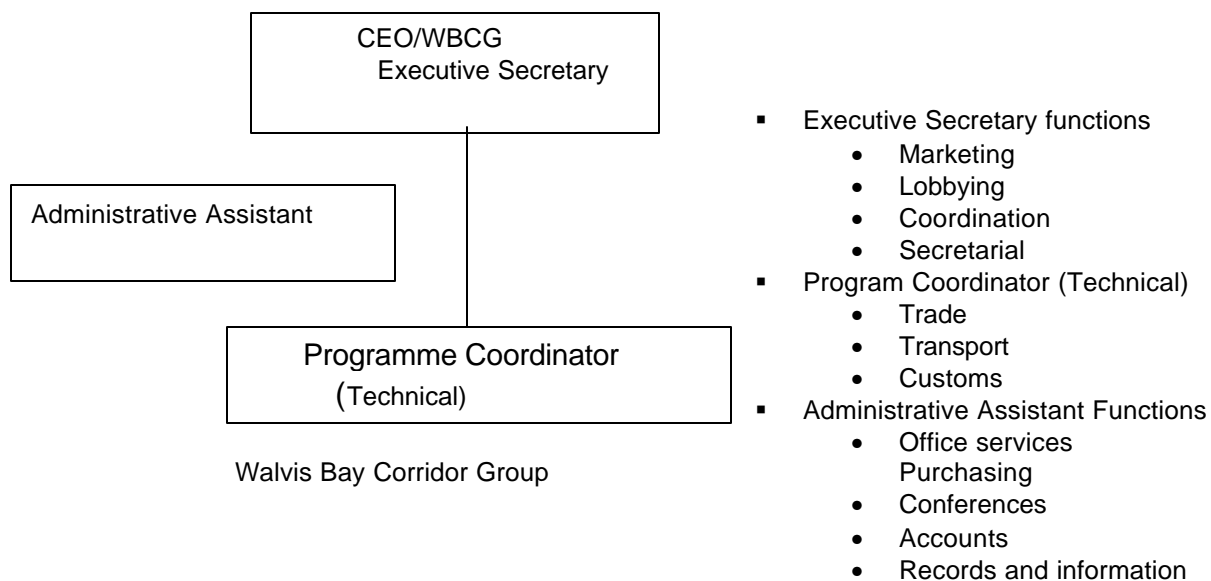


## 4.2 Staffing

Staffing of the secretariat will be in two phases. The first phase will be transitional allowing for resource mobilization by the contracting parties and the port authority. This phase will last for one year and seven months. The first seven months of phase one starts from September 2004 up to March 2005, leading to the beginning of the 2005/2006 financial years. This is when it is expected that the three governments will have provided for the corridor funding in their national budgets. The transitional phase provides for the funding of a position of program coordinator within the WBCG. The option to this arrangement financial resources not permitting would be the provision of finances to the WBCG for TKC programs.

The program coordinator will be multi disciplined and will perform the technical functions of the secretariat. Initially the secretariat will be hosted by the WBCG and provide the basic administration and office communication services. In this phase the Program Coordinator in conjunction with working groups/task teams/consultants will be responsible for fine tuning of the matrices/action plans, identification of critical interventions from the matrices whose implementation will produce tangible benefits necessary to make corridor work attractive and rewarding. Monitoring of benefits from corridor activities and their impact on the various stakeholders will be undertaken to feed into the elaboration of the funding mechanism. These tasks are in addition to marketing the corridor activities and spearheading the implementation of the corridor decisions and Programmes working closely with other corridor organs such as the Working Groups and National Corridor Committee.

**FIGURE 4.3 TRANSITIONAL SECRETARIAT STRUCTURE WITH PROGRAM COORDINATOR**





**TABLE 4.1 BUDGET FOR THE FIRST 7 MONTHS OF THE TKC TRANSITIONAL SECRETARIAT**

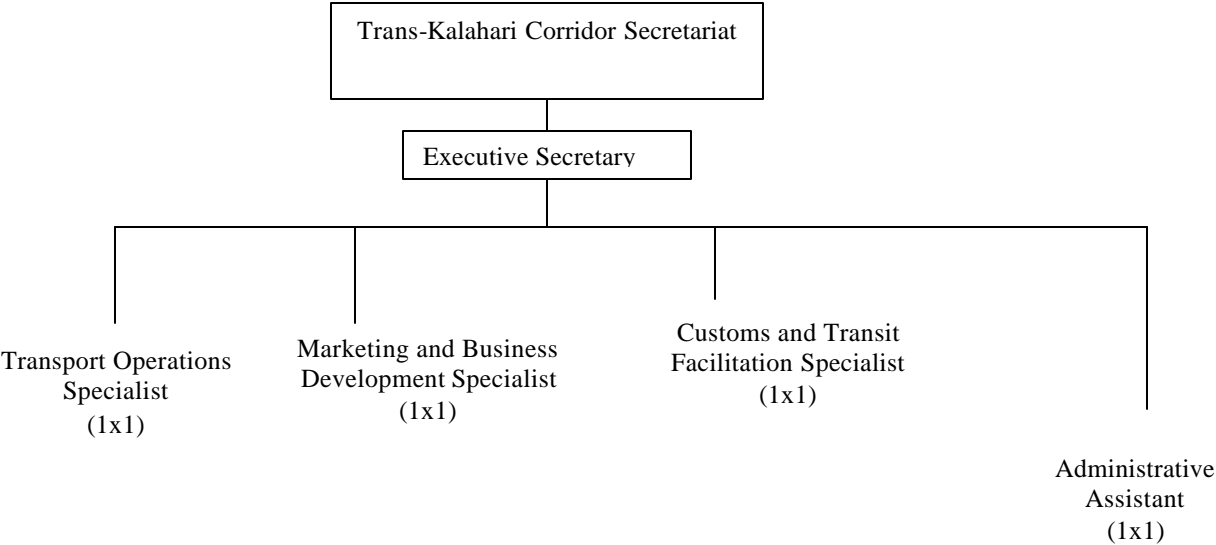
<b>Budget Item</b>	<b>Item Description</b>	<b>Amount US\$</b>	<b>Total US \$</b>
Staff Salaries and Benefits	Programme Coordination for seven months Sept - March 05 Housing Allowance	21,000 7,000	28,000
Office Administration	* Office rentals for seven months	4,700	4,700
Project Assets	Transportation Allowance * Office equipment Computer x 1 printer	7,000 3,000	10,000
Work program related expenses	<b>Staff travel</b> * Per diem for 6 months x 6 days @200 per day * Air ticket 750 x 6 trips <b>Workshops</b> assuming 50% (origin amount)	7,200 4,500 10,000	21,700
Technical Assistance			25,000
	<b>GRAND TOTAL</b>		<b>89, 400</b>

In the full strength secretariat after resource mobilization, an Executive Secretary, who shall report to the TKCMC through the Chairperson, will head the secretariat. It is recommended that in the long term the Executive Secretary be supported by a compliment of professional and administrative staff with the following core competencies:

- a) **Transport Operations** – to coordinate, monitor and evaluate all issues related to transport systems and their utilisation thereof, in order to ensure the transport routes operate and function as a cohesive system.
- b) **Customs and Transit Facilitation**– to facilitate the movement of goods and persons in an efficient and harmonised manner that will enhance transit time and competitiveness of the corridor in line with the SADC Trade Protocol.
- d) **Marketing and Business Development** – Market the corridor benefits and attract traffic to the corridor. Identify spatial development initiatives and investment opportunities along the corridor.
- e) **Administration and Office Management** – to carry out office administration and logistics, bookkeeping, and other errands that facilitate the work of the Secretariat.

These competences are in response to the critical issues identified in the corridor and outlined in the action plan as the first three groups. The same competences are aligned to the three working groups.

**FIGURE 4.4 FULL STRENGTH TKC SECRETARIAT**



**TABLE 4.2 BUDGET TRANS KALAHARI CORRIDOR FULL STRENGTH SECRETARIAT**

<b>Budget Item</b>	<b>Item Description</b>	<b>Amount US\$</b>	<b>Total US\$</b>
Staff Salaries and Benefits	CEO 48,000 Specialists (3) 36,000 each 1 Administrative Assistant 18,000 1 Driver 6,000	48,000 108,000 18,000 6,000	180,000
Office Administration	<ul style="list-style-type: none"> <li>▪ Book keeping</li> <li>▪ Office Maintenance</li> <li>▪ Cleaning, Security services</li> <li>▪ Fuel</li> <li>▪ Stationary</li> <li>▪ Office Rent</li> </ul>	<div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 10px;">}</div> <div>50,000</div> </div> <div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 10px;">}</div> <div>12,000</div> </div>	62,000
Project Assets	<ul style="list-style-type: none"> <li>▪ Vehicles</li> <li>▪ Office equipment</li> <li>▪ (Computers x 4 Printer x1, fax machine x 1 photocopiers x1)</li> </ul>	30,000 15,000	45,000
Work Program related expenses	Staff travel <ul style="list-style-type: none"> <li>▪ Per diem</li> <li>▪ Air ticket</li> </ul> Workshops	25,000 15,000 20,000	60,000
Corridor Operations	<ul style="list-style-type: none"> <li>▪ Technical Assistance</li> <li>▪ Consultancy Fees @ 60 consultancy days x 3 working groups x US\$ 400 per day</li> <li>▪ Travel 9,600</li> <li>▪ Accommodation per diem \$15,000</li> </ul>	72,000  9,600 15,000	96,600
	<b>GRAND TOTAL</b>		<b>443,600</b>

### 4.3 Conclusion

This chapter has made recommendations on the institutional arrangements, staffing of the secretariat and resource requirements. With the expanded membership of the TKC and the impending setting up of a permanent secretariat it is imperative that the operations committee be appointed to supervise the secretariat.

The other recommendation is the need to phase the staffing of the secretariat. In the transitional period as financial resources are being mobilized, the only position provided for is that of Program Coordinator assigned to the WBCG. A full strength secretariat is recommended in phase two after financial resources have been secured.

## **5. FINANCIAL SUSTAINABILITY**

This chapter makes recommendations on the financial sustenance of the TKC institutions and activities. The chapter covers; the need for financial sustainability, benefits to key stakeholders i.e. (shippers, transporters, clearing and forwarding agencies, customs authorities, port authorities), funding options, financial strategy.

### **5.1 Need for Financial Sustainability**

The corridor structure needs a reliable source of income to be able to finance its activities. The activities of the corridor consist of all those tasks they assign themselves to carry out, which consist of action plan matrices.

For the structure of the secretariat and operations to be sustainable, there has to be guaranteed income. This can only be guaranteed if there is an institutional method or combination of methods of fundraising to meet the above expenses on an ongoing basis. This can only however, work well if those that will be paying be they governments or the business community i.e. shippers, transporters, clearing agencies, port authority etc, see the need or benefits of making the contribution.

### **5.2 Benefits to Key Stakeholders**

The main idea behind establishing the corridor structure is to facilitate enhancement of the corridor efficiency. For most of the stakeholders as identified above, the primary benefit will be the quick movement of cargo by way of the time and cost savings that will accrue to them as a result of interventions of the corridor. The major form of benefit will be the increased throughput that the corridor will be able to handle as a result of the efficiency enhancement that will be introduced by these interventions. All the envisaged benefits from the proposed actions in the corridor action plan matrices can be classified into six (6) generic categories. These are improved security, reduced cargo transit time, reduced cost, increased volume throughput, increased revenue and profit as well as competitiveness of cargo in destination markets,

Below are the examples of the benefits in the major categories mentioned above that each of the listed key stakeholders would derive.

**TABLE 5.1 BENEFITS**

Stakeholder	Security	Reduced T/Time	Reduced Cost	Increase Volume/ Throughput	Increased revenue and profit	Competitive - ness in Dest. Markets
Shippers	✓	✓	✓	✓	✓	✓
Transporters	✓	✓	✓	✓	✓	
Clearing and Forward Agencies		✓	✓	✓	✓	
Customs				✓	✓	
Port Authorities	✓	✓	✓	✓	✓	

#### a. Shippers

The shipper's primary concern is that the consignment should move from origin to destination in the shortest possible time. One major benefit for the shipper therefore will be the reduction in cargo transit time and the cost of shipment. The Shipper is the lifeline of the corridor who feeds it with the tonnage which enables all stakeholders along the corridor chain to be in business, by handling the shipper's tonnage.

It goes without saying therefore that the corridor's efficiency affects the business of the shipper. The primary interest of the shipper is to see that his/her consignment is transported to its intended destination in the safest manner, shortest possible time and at the least possible cost. The demand for the services of all the players along the corridor chain are derived from this need and their performance (efficiency) is measured by the degree to which they meet these expectations of the shipper.

#### b. Transporters

The transporter's primary concern is to reduce the turn round time. As far as this goes, any reduction in the dwell times at any point en-route and even at the end point will be a benefit in reducing the opportunity cost of tying up the truck on a particular route longer than is absolutely necessary.

The time savings accruing to the truckers arising from any interventions that the corridor can bring about to make this happen can translate into a substantial monetary saving when multiplied by the number of trucks that use the corridor. The other is to reduce the operating costs on the route.

#### c. Clearing and Forwarding Agencies

Clearing and forwarding agents can benefit from efficiency gains of the corridor by reduction in operating costs as well as in higher volumes of cargo they would be handling. Monetisation of how much would be gained by the clearing and forwarding agents requires application of a profit margin factor to be applied to the additional volumes.

One of the major impediments in the operations of clearing and forwarding agents is the prohibitive security bonds required for them to be licensed. Any corridor inventions that can help reduce the cost of doing business in this area would trickle through to the final users and consumers.

#### d. Customs Authorities

Other than the additional revenue in additional customs duty collected from the increased corridor throughput to be brought about by efficiency gains, customs authorities stand to gain in Administration operational cost reductions from some of the other measures that the corridor can help to put in place. A case in point would be the reduction in the administration workload resulting from introduction of the one top border post concept or the use of the simple Administration Document (SAD).

#### e. Port Authorities

As with most other players in the corridor chain, the port authorities suffer from inefficiency costs attributable to their own operational inadequacies as well as from those of the other players in the chain. Reduction in these inefficiencies would positively impact on the financial performance of the port.

#### f. Service providers.

Other service providers not covered above but servicing the Corridor chain stand to benefit from a general boost in their businesses arising from a higher activity level resulting from increased cargo throughput and a more efficient system.

#### g. Consumers.

The primary benefit to accrue to the consumers of the goods that are transported through the corridor will be the reduced cost of the goods that will be passed on to them as the Corridor becomes less costly to run.

#### h. The Economy.

The Economies of the member countries of the Corridors will stand to gain from the overall efficiencies that will result from interventions of the corridor in that there will be enhanced trade across borders, and cost savings from the operations of the corridors can be channeled to alternative uses.

### **5.3 Funding options**

Various Options of Funding have been considered and also drawing from regional experiences. The options range from membership subscriptions of the public sector i.e. member governments, private sector subscriptions e.g. transporters and freight forwarder associations and tonnage based contribution.

- Overall membership subscriptions from member governments can work best if the member governments are running economies which are robust. Experiences have shown that countries with budgetary constraints usually fall behind in meeting their contributions to various regional organizations and therefore this would be adding on to the burden and is unlikely to be sustained. However, those countries with robust economies can still explore this option subject to the magnitude of the contributions required.
- Private sector membership subscriptions experiences in many corridors have shown this to be an unreliable option when taken on its own and as a regional initiative. An exception has been the WBCG where the private sector has shown enthusiasm in contributing. However, this might be so because it is a national rather than a regional body.
- Application of the user pay-principle based on levy per tonne of cargo that goes through the corridor (tonnage levy) has worked well on the Northern Corridor. However, without tangible benefits it is difficult to justify.
- Port Authority Contributions. Ports being among the major beneficiaries of transport corridor developments and also having the financial ability to pay usually show commitment and willingness to pay towards such contributions e.g. the Walvis Bay, Mombasa and Dar es Salaam port authorities. This option usually works well in combination with other options.

### **5.4 Financial Strategy**

The funding guiding principles as established in chapter two are as follows;

- a. Membership contributions are problematic, whether by the private or public sector. Specifically, governments with resource constraints have competing and more urgent priorities making it difficult for them to honour their obligation.

- b. User levies have to be directly related to the derived benefits. What the users pay must be less than the derived benefits
- c. The mode of collection must be simple to administer and adhere to
- d. Where there is no clear linkage between the budget and the results or benefits, it becomes difficult to justify the levy. Where there is result-based budgeting with clear targets for deliverable, justification for levies is not difficult.
- e. Donors are more amenable to provide assistance where institutions demonstrate a commitment.

**TABLE 5.2 FINANCIAL STRATEGY**

	Sept/04 to March/05	April/05 to March/06	April/06 to March/07	April/07 to March/08	April/08 to March/09
NAMPort	25	25	20	20	20
Member Governments	75	75	60	60	60
Benefits based contribution	0	0	20	20	20

The corridor activities in the initial stages will have to be funded by pioneering financiers i.e. the contracting parties and the port authority and other major private sources.

Before the rest of the stakeholder beneficiaries are co-opted into participating in the corridor sustainability, a study will have to be carried out over a 1-2 years period to empirically determine the derived benefits by each stakeholder from the implementation of the corridor action plan.

The benefits will be in the form of cost reduction, revenue/profit increases and general reduction of transit time along the corridor. Implementation of the full strength budget will have to be executed after the transitional period in order to determine the extent of benefits accruing to each stakeholder from the implementation of the corridor action plan. Two options are proposed for the collection of contributions from corridor beneficiaries.

### **Benefit Based Contribution**

A benefit based contribution to the financing of the Corridor secretariat and operations would be determined and collected using the following procedures:-

After the following year's budget has been prepared by the corridor secretariat and approved by the corridor management committee each stakeholder e.g. the port authority, the transporter s' association, the clearing and forwarding agencies association etc would be apportioned a percentage for contribution based on the observed benefits following the two year empirical study. This would then be invoiced to the stakeholder in question by the corridor secretariat e.g. a total budget of US\$200,000 has been prepared and approved and the port authority is expected to contribute 30% as determined following



stakeholder benefits assessing an invoice of  $30/100 \times \text{US\$}200,000 = \text{US\$}60,000$  would be sent to the port authority for settlement. Other stakeholders would be billed likewise.

There are a number of clearly identifiable stakeholders in the corridor chain who make business through the tonnage. These are the ones that derive benefit from handling this tonnage and should therefore be the ones who should collectively contribute to the tonnage levy component required for the corridor sustainability. Their contributions should all reflect the proportion by which they benefit from handling the corridor tonnage.

Five key stakeholders have been identified as the primary beneficiaries in the tonnage that passes through the corridor. These are;

- i. shippers
- ii. transporters
- iii. clearing agencies and freight forwarders
- iv. customs authorities
- v. port authorities

The above five beneficiaries all need to contribute to ensure compliance of collections and remittances. Each of the stakeholders listed above should be made accountable and pay to an appropriate authority under some well-defined and robust legislative framework capable of being enforced.

In order to make this work effectively it is useful to make use of existing legislative frameworks which would ensure maximum compliance. Fortunately, all the stakeholders above have supervisory relationships with institutions that have an interest in and are already part and parcel of the corridor. For instance the clearing agents already have to deal with the customs authority and would feel more obliged to pass on their contribution to the customs authorities.

Shippers' contributions can be made payable to the transporters, in turn transporters' contributions can be made payable to the transit fee authorities. Revenue and port authorities who are supervised by their respective governments will feel more obliged to remit their components to their respective governments.

The two years of observation can also be used to study the legislative and institutional framework to determine its suitability in implementing this collection mechanism, and where need be appropriate revisions to the existing regulatory instruments can be made to facilitate the effective collection of the contribution. Where there are no existing legislative frameworks to support the collection of the contributions, some memorandum of understanding (MoUs), statutory instruments etc. can be devised and put in place.

### **Tonnage based contributions**

The tonnage based contribution is proposed to be collected in the following mechanism. Cargo passing through the corridor includes that which is international in nature and uses

a considerable portion of the corridor and that which is utilized in the country where the port is located. The approach in this strategy involves taking an average of all cargo to be levied, for a period of five years and taking 80% of that as a way of guarantying the targeted income even when there are fluctuations of up to 20% in cargo volumes passing through the corridor. All cargo needs to be levied whether local or international as long as it has come through the port. A distinction though has to be made between cargo for local use and that of international transit. A rate which is 50% lower could be used for local cargo whilst a full rate can be used that for international transit. The rationale for this distinction stems from the recognition that international cargo uses a longer stretch of a corridor. Since only 20% of the cargo that moves on the corridor reaches the port, another collection point will have to be determined.

The actual method of arriving at the rate would follow an iterative process starting with estimating the amount of money to be raised as arrived at in the costing of the corridor activities. The total throughput would be divided into local and foreign.

The iterative process can start by dividing the total targeted figure to be raised by the total throughput (both local and foreign). This will give us an average levy (rate to be applied on tonnage). But since we have already determined that we want to maintain a ratio of 1:2 for local -to -foreign tonnage, we will take the rate we find to be the starting rate for local tonnage. We then multiply the same value by 1.2 from foreign tonnage. The next step is to multiply the rates found in the above calculation by each respective tonnage.

If the value found is above the targeted figure, the rates are adjusted downwards, in the same ratio of 1:2 and repeat the multiplication for local and foreign tonnage and add as above. The process continues until the rates in the ratio 1:2 of local to foreign yield the targeted amount to be raised or just above. The rule is not to get values below the targeted value because it would mean that there would be a financing gap.

## **5.5 Conclusion**

The corridor structure needs a reliable source of income to be able to finance its activities. The activities of the corridor consist of the tasks that it has set itself out to do as contained in the Action Plan Matrix.

The financing of the corridor activities is best undertaken by the beneficiaries of these activities and their individual contribution to it. It should as far as possible reflect the proportional benefits derived.

## **6. CONCLUSION**

### **6.1 Introduction**

The main objective of the study was to carry out an assessment of the institutional financial sustainability of the corridor structures and programs and facilitate the designing and recommending of the support structure needed to service the Corridor institutions and programs, and developing a financial sustainability strategy. The study relied mainly on Interviews with major Stakeholders including, private sector transporters associations, major users/shippers, major private/public transport service providers, government ministries/ departments of transport, other transport corridors e.g. Northern Corridor, Walvis Bay Corridor Group, donors /financial institutions.

### **6.2 Lessons from Similar Institutions**

Lessons on regional structures are drawn from the Northern Corridor Transit Transport Coordinating Authority (NCTTCA), Port Management Association of Eastern and Southern Africa (PMAESA) and Spatial Development Initiative (SDI) and funding regional institutions from NCTTCA and PMAESA.

The involvement of the private and public sector in both regional and national institutions is shown to be important. Fixed secretariat with staff appointed by all stakeholders assures quality work and neutrality of staff.

Membership contributions are generally problematic whether by the private or public sector. Specifically, governments with resource constraints have competing and more urgent priorities making it difficult for them to keep up with their contributions.

User levies if to be applied have to be directly related to the derived benefits. What the users pay must be less than the derived benefits. Where there is no clear linkage between the budget and the results or benefits, it becomes difficult to justify the levy. Where there is result based budgeting with clear targets for deliverables, justification for levy is not difficult. The mode of collection of the levy must also be simple to administer and adhere to.

### **6.3 Status of the TKC**

The Trans Kalahari Transport Corridor was born out of the Trans- Kalahari Highway (TKH) but later changed its status to a corridor in the light of the intention by member governments Namibia, Botswana and South Africa, to make it more effective. The main goal of the TKC has been to ensure better utilization of the infrastructure newly constructed in Namibia and Botswana.

Since the creation of the TKC and with the technical and financial assistance of the Southern Africa Global Competitiveness Hub, there have been three major developments mainly; establishment of the corridor institutional framework (the TKC Management Committee); preparation of the legal framework in the form of a Memorandum of Understanding (MoU) and preparation of the action plan. The Walvis Bay Corridor group has provided interim secretariat for the TKCMC.

The original formulation of TKCMC only comprised representatives of the contracting parties. The MoU has since broadened the TKCMC to comprise different interest groups and stakeholders both public and private in transport, communication and meteorology sectors.

#### **6.4 Recommended Institutions**

The sustainability of the Trans-Kalahari Corridor from an institutional point of view will depend on the institutional arrangement and framework that will be adopted. The recommended set up in the TKC MoU, forms a structural framework that should be able to support and sustain TKC goals if adequately funded and technically supported.

The option to establish the operations committee in future if the situation demands so has been left open. This is a likely development with the expanded TKCMC membership and the establishment of a permanent secretariat.

Staffing of the secretariat will be in two phases. The first phase lasting one year and seven months will be transitional allowing for resource mobilization by the contracting parties and the port authority. The first seven months will be from September 2004 to March 2005, leading to the beginning of the 2005/2006 financial year. This is when it is expected that the three governments will have provided for the corridor funding in their national budgets. The transitional phase provides for the funding of a position of program coordinator within the WBCG. The option to this arrangement financial resources not permitting would be the provision of finances to the WBCG for TKC programs.

In the full strength secretariat after resource mobilization, an Executive Secretary, who shall report to the TKCMC through the Chairperson, will head the secretariat. It is recommended that in the long term the Executive Secretary be supported by a compliment of professional and administrative staff.

#### **6.5 Recommended Funding Mechanism**

The initial phase will be funded from contributions by the contracting parties (the three member countries) and the port authority. There after, these contributions will be supplemented by benefit-based contributions from other corridor beneficiaries, to be agreed upon during the Phase One.

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Trans Kalahari Management Committee (TKCMC) meeting held on 10-11 June 2004 in Pretoria

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